



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-96473]; File No. SR-IEX-2022-11]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend IEX Rule 2.160 (Registration Requirements and Restrictions on Membership)

December 9, 2022.

Pursuant to section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on November 28, 2022, the Investors Exchange LLC (“IEX” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

Pursuant to the provisions of section 19(b)(1) under the Act,⁴ and Rule 19b-4 thereunder,⁵ the Exchange is filing with the Commission a proposed rule change to amend IEX Rule 2.160. The Exchange has designated this proposal as non-controversial pursuant to Section 19(b)(3)(A)(iii) of the Act⁶ and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) thereunder.⁷

The text of the proposed rule change is available at the Exchange’s website at www.iextrading.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78S(B)(1).

² 15 U.S.C. 78A.

³ 17 CFR 240.19B-4.

⁴ 15 U.S.C. 78S(B)(1).

⁵ 17 CFR 240.19B-4.

⁶ 15 U.S.C. 78S(B)(3)(A).

⁷ 17 CFR 240.19B-4(F)(6)(III).

II. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statement may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

IEX is proposing to amend sections of IEX Rule 2.160 that relate to continuing education requirements, lapses of registration of the Securities Industry Essentials ("SIE") examination, and waivers of examinations for certain individuals working for a financial services affiliate of a Member.⁸ The proposed rule change is based on changes to registration and continuing education requirements made by the Financial Industry Regulatory Authority, Inc. ("FINRA"), including a change to require that the Regulatory Element of continuing education be completed annually rather than every three years, and to provide a path through continuing education for individuals to maintain their qualification following the termination of a registration.⁹

1. Background

⁸ SEE IEX RULE 1.160(S) (DEFINING "MEMBER").

⁹ SEE SECURITIES EXCHANGE ACT RELEASE NO. 93097 (SEPTEMBER 21, 2021), 86 FR 53358 (SEPTEMBER 27, 2021) (SR-FINRA-2021-015) (THE "FINRA APPROVAL ORDER"). OTHER EXCHANGES HAVE ALSO FILED RULE CHANGES HARMONIZING THEIR REGISTRATION REQUIREMENTS AND CONTINUING EDUCATION RULES WITH THOSE OF FINRA, SO AS TO PROMOTE UNIFORM STANDARDS ACROSS THE SECURITIES INDUSTRY. SEE E.G., SECURITIES EXCHANGE ACT RELEASE NO. 94400 (MARCH 11, 2022), 87 FR 15286 (MARCH 17, 2022) (SR-NASDAQ-2022-021); SECURITIES EXCHANGE ACT RELEASE NO. 94429 (MARCH 16, 2022), 87 FR 16268 (MARCH 22, 2022) (SR-MEMX-2022-05); SECURITIES EXCHANGE ACT RELEASE NO. 95414 (AUGUST 3, 2022), 87 FR 48527 (AUGUST 9, 2022) (SR-BOX-2022-23).

In IEX Rule 2.160(p), the Exchange sets forth certain continuing education (“CE”) requirements for its Members including requirements to participate in the Regulatory and Firm Elements of training, which are generally based on certain FINRA Rules.¹⁰ The Regulatory Element focuses on regulatory requirements, and the Firm Element focuses on enhancing covered registered persons’ securities knowledge, skill, and professionalism. The Regulatory Element CE program is administered to industry participants by FINRA.¹¹ Furthermore, FINRA’s rule filing amended Rules 1210.09 (“Waiver of Examinations for Individuals Working for a Financial Services Industry Affiliate of a Member”) and 1210.08 (“Lapse of Registration and Expiration of SIE”), which are mirrored by Supplementary Material .01 to IEX Rule 2.160(g) and Rule 2.160(o).¹² The Exchange seeks to amend its rules to more closely mirror FINRA Rules, as amended.¹³

2. Proposed Rule Change

FINRA has participated in extensive work with the Securities Industry/Regulatory Council on Continuing Education (“CE Council”) that has resulted in amendments to FINRA Rules 1210 and 1240.¹⁴ Following these changes, the Exchange seeks to align its registration and continuing education requirements with those of FINRA by making the following changes to IEX Rule 2.160.

A. Transition to Annual Regulatory Element for Registered Persons

Currently, the Regulatory Element prescribed in IEX Rule 2.160(p)(a) sets forth that training must be completed every three years, and the content is broad in nature. Based on changes in technology and learning theory, the Regulatory Element content can be updated and

¹⁰ SEE FINRA RULE 1210 (REGISTRATION REQUIREMENTS) AND 1240 (CONTINUING EDUCATION REQUIREMENTS).

¹¹ SEE IEX RULE 2.160(P)(A)(6).

¹² SEE FINRA APPROVAL ORDER, SUPRA NOTE 9.

¹³ ID.

¹⁴ ID.

delivered in a timelier fashion and tailored to each registration category, which would further the goals of the Regulatory Element.¹⁵ Therefore, to align the Exchange's Rules with changes made by FINRA and to provide registered persons with more timely and relevant training on significant regulatory developments, the Exchange proposes amending IEX Rule 2.160(p)(a) to require registered persons to complete the Regulatory Element annually by December 31, with the first compliance date December 31, 2023.¹⁶ The proposed amendment would also require registered persons to complete the Regulatory Element content for each representative or principal registration category that they hold, which would also further the goals of the Regulatory Element.¹⁷ Under the proposed rule change, registered representatives will have the flexibility to complete the Regulatory Element sooner than December 31 of each year.¹⁸ Registered persons who would be registering as a representative or principal for the first time on or after the implementation date of the proposed rule change would be required to complete their initial Regulatory Element for that registration category in the next calendar year following their registration.¹⁹ In addition, subject to specified conditions, registered persons who would be reregistering as a representative or principal on or after the implementation date of the proposed

¹⁵ WHEN THE FINRA CE PROGRAM WAS ORIGINALLY ADOPTED IN 1995, REGISTERED PERSONS WERE REQUIRED TO COMPLETE THE REGULATORY ELEMENT ON THEIR SECOND, FIFTH AND 10TH REGISTRATION ANNIVERSARY DATES. SEE SECURITIES EXCHANGE ACT RELEASE NO. 35341 (FEBRUARY 8, 1995), 60 FR 8426 (FEBRUARY 14, 1995) (ORDER APPROVING FILE NOS. SR-AMEX-94-59; SR-CBOE-94-49; SR-CHX-94-27; SR-MSRB-94-17; SR-NASD-94-72; SR-NYSE-94-43; SR-PSE-94-35; AND SR-PHLX-94-52). THE CHANGE TO THE CURRENT THREE-YEAR CYCLE WAS MADE IN 1998 TO PROVIDE REGISTERED PERSONS MORE TIMELY AND EFFECTIVE TRAINING, CONSISTENT WITH THE OVERALL PURPOSE OF THE REGULATORY ELEMENT. SEE SECURITIES EXCHANGE ACT RELEASE NO. 39712 (MARCH 3, 1998), 63 FR 11939 (MARCH 11, 1998) (ORDER APPROVING FILE NOS. SR-CBOE-97-68; SR-MSRB-98-02; SR-NASD-98-03; AND SR-NYSE-97-33).

¹⁶ SEE PROPOSED IEX RULE 2.160(P)(A)(1).

¹⁷ ID.

¹⁸ ID.

¹⁹ ID.

rule change would also be required to complete their initial Regulatory Element for that registration category in the next calendar year following their reregistration.²⁰

Consistent with current requirements, registered persons who fail to complete their Regulatory Element within the prescribed period would be automatically designated as inactive.²¹ However, the proposed rule change preserves the Exchange's ability to extend the time by which a registered persons must complete the Regulatory Element for good cause shown.²²

The Exchange also proposes amending IEX Rule 2.160(p)(a)(2) to clarify that: (1) individuals who are designated as inactive would be required to complete all of their pending and upcoming annual Regulatory Element, including any annual Regulatory Element that becomes due during their CE inactive period, to return to active status;²³ (2) the two-year CE inactive period is calculated from the date individuals become CE inactive, and it continues to run regardless of whether individuals terminate their registrations;²⁴ (3) individuals who become subject to a significant disciplinary action may be required to complete assigned continuing education content as prescribed by the Exchange;²⁵ (4) individuals who have not completed any Regulatory Element content for a registration category in the calendar year(s) prior to reregistering would not be approved for registration for that category until they complete that Regulatory Element content, pass an examination for that registration category or obtain an unconditional examination waiver for that registration category, whichever is applicable;²⁶ and

²⁰ SEE PROPOSED IEX RULE 2.160(P)(A)(4).

²¹ SEE PROPOSED IEX RULE 2.160(P)(A)(2).

²² THE PROPOSED RULE CHANGE CLARIFIES THAT THE REQUEST FOR AN EXTENSION OF TIME MUST BE IN WRITING AND INCLUDE SUPPORTING DOCUMENTATION, WHICH IS CONSISTENT WITH CURRENT PRACTICE.

²³ SEE PROPOSED IEX RULE 2.160(P)(A)(2).

²⁴ ID.

²⁵ SEE PROPOSED IEX RULE 2.160(P)(A)(3).

²⁶ SEE PROPOSED IEX RULE 2.160(P)(A)(4).

(5) the Regulatory Element requirements apply to individuals who are registered, or in the process of registering, as a representative or principal.²⁷ The Exchange notes that it also proposes to make conforming changes to IEX Rule 2.160(p)(a) to further align the IEX Rule with FINRA Rule 1240(a).

Under the proposed rule change, the amount of content that registered persons would be required to complete in a three-year, annual cycle for a particular registration category is expected to be comparable to what most registered persons are currently completing every three years. In some years, there may be more required content for some registration categories depending on the volume of rule changes and regulatory issues. In addition, an individual who holds multiple registrations may be required to complete additional content compared to an individual who holds a single registration because, as noted above, individuals would be required to complete content specific to each registration category that they hold. However, individuals with multiple registrations would not be subject to duplicative regulatory content in any given year. The more common registration combinations would likely share much of their relevant regulatory content each year. For example, individuals registered as General Securities Representatives and General Securities Principals would receive the same content as individuals solely registered as General Securities Representatives, supplemented with a likely smaller amount of supervisory-specific content on the same topics. The less common registration combinations may result in less topic overlap and more content overall.

B. Changes to Firm Element

IEX Rule 2.160(p)(b) (Firm Element) currently requires each firm to develop and administer an annual Firm Element training program for any person registered with a Member who has direct contact with customers in the securities business of the Member relating to activity that occurs on the Exchange (a “covered registered person”).²⁸ The rule requires firms to

²⁷ ID.

²⁸ SEE IEX RULE 2.160(P)(B)(1).

conduct an annual needs analysis to determine the appropriate training for covered registered persons.²⁹ Currently, at a minimum, the Firm Element must cover training in ethics and professional responsibility as well as the following items concerning securities products, services and strategies offered by the member: (1) general investment features and associated risk factors; (2) suitability and sales practice considerations; and (3) applicable regulatory requirements.³⁰ A firm, consistent with its needs analysis, may determine to apply toward the Firm Element other required training.³¹

To better align the Firm Element requirement with other required training, IEX proposes amending IEX Rule 2.160(p)(b) to expressly allow firms to consider training relating to the AML compliance program and the annual compliance meeting toward satisfying an individual's annual Firm Element requirement.³² IEX also proposes amending the rule to extend the Firm Element requirement to all registered persons, including individuals who maintain solely a permissive registration consistent with Supplementary Material .01 to IEX Rule 2.160(e), thereby further aligning the Firm Element requirement with other broadly-based training requirements.³³ In conjunction with this proposed change, IEX proposes modifying the current minimum training criteria under IEX Rule 2.160(p)(b) to instead provide that the training must cover topics related to the role, activities, or responsibilities of the registered person and to professional responsibility, and removing the not role-specific current requirements that the Firm Element training at a minimum cover: (1) general investment features and associated risk

²⁹ SEE IEX RULE 2.160(P)(B)(2).

³⁰ ID.

³¹ SEE IEX RULE 2.160(P)(B)(4).

³² SEE PROPOSED IEX RULE 2.160(P)(B)(2)(D).

³³ AS DISCUSSED, INFRA, THE EXCHANGE IS PROPOSING TO MAKE THREE NON-SUBSTANTIVE CONFORMING EDITS TO IEX RULE 2.160(P)(A)(1) BY CORRECTING THE REFERENCES TO "COMMENTARY .02 TO RULE 2.160" TO PROPERLY CITE TO "SUPPLEMENTARY MATERIAL .01 TO RULE 2.160(E)" AND CORRECTING REFERENCES TO "COMMENTARY .01 TO RULE 2.160(G)" TO PROPERLY CITE TO "SUPPLEMENTARY MATERIAL .01 TO RULE 2.160(G).

factors; (2) suitability and sales practice considerations; and (3) applicable regulatory requirements.³⁴

C. Termination of Registration

Currently, individuals whose registrations as representatives or principals have been terminated for two or more years may reregister as representatives or principals only if they requalify by retaking and passing the applicable representative- or principal-level examination or if they obtain a waiver of such examination(s) (the “two-year qualification period”).³⁵ The two-year qualification period was adopted prior to the creation of the CE Program and was intended to ensure that individuals who reregister are relatively current on their regulatory and securities knowledge.

IEX proposes to amend IEX Rule 2.160(o) to provide that a person whose registration has been terminated for more than two years in a registration category will not be required to pass a representative qualification examination appropriate to that registration category if the

³⁴ SEE PROPOSED IEX RULE 2.160(P)(B)(2)(B).

³⁵ SEE IEX RULE 2.160(O). THE TWO-YEAR QUALIFICATION PERIOD IS CALCULATED FROM THE DATE INDIVIDUALS TERMINATE THEIR REGISTRATION AND THE DATE FINRA RECEIVES A NEW APPLICATION FOR REGISTRATION. THE TWO-YEAR QUALIFICATION PERIOD DOES NOT APPLY TO INDIVIDUALS WHO TERMINATE A LIMITED REGISTRATION CATEGORY THAT IS A SUBSET OF A BROADER REGISTRATION CATEGORY FOR WHICH THEY REMAIN QUALIFIED. FOR INSTANCE, IT WOULD NOT APPLY TO AN INDIVIDUAL WHO MAINTAINS HIS REGISTRATION AS A GENERAL SECURITIES REPRESENTATIVE BUT WHO TERMINATES HIS REGISTRATION AS AN INVESTMENT COMPANY AND VARIABLE CONTRACTS PRODUCTS REPRESENTATIVE. SUCH INDIVIDUALS HAVE THE OPTION OF REREGISTERING IN THE MORE LIMITED REGISTRATION CATEGORY WITHOUT HAVING TO REQUALIFY BY EXAMINATION OR OBTAIN AN EXAMINATION WAIVER SO LONG AS THEY CONTINUE TO REMAIN QUALIFIED FOR THE BROADER REGISTRATION CATEGORY. FURTHER, THE TWO-YEAR QUALIFICATION PERIOD ONLY APPLIES TO THE REPRESENTATIVE- AND PRINCIPAL-LEVEL EXAMINATIONS; IT DOES NOT EXTEND TO THE SECURITIES INDUSTRY ESSENTIALS (“SIE”) EXAMINATION. THE SIE EXAMINATION IS VALID FOR FOUR YEARS, BUT HAVING A VALID SIE EXAMINATION ALONE DOES NOT QUALIFY AN INDIVIDUAL FOR REGISTRATION AS A REPRESENTATIVE OR PRINCIPAL.

person has maintained his or her qualification status for that registration category in accordance with the maintaining qualifications program detailed *infra*.³⁶

And the Exchange proposes to amend Supplementary Material .01 to IEX Rule 2.160(g), which describes the process for a waiver of examinations for individuals working for a financial services industry affiliate of a Member, to reflect that the waiver program stopped accepting applications on March 15, 2022. IEX makes this proposal because of the proposed changes to the Regulatory Element discussed *supra* that make completion of the Regulatory Element an annual requirement, which would also apply to people eligible for the financial services industry affiliate waiver program (“FSAWP”).

D. Maintenance of Qualification After Termination of Registration

The Exchange proposes adopting subparagraph (c) under IEX Rule 2.160(p) and Supplementary Material .01 and .02 to IEX Rule 2.160(p)(c) to provide eligible individuals who terminate any of their representative or principal registrations the option of maintaining their qualification for any of the terminated registrations by completing continuing education. The proposed rule change would not eliminate the two-year qualification period set forth in IEX Rule 2.160(p)(a)(2). Rather, it would provide such individuals an alternative means of staying current on their regulatory and securities knowledge following the termination of a registration(s). Eligible individuals who elect not to participate in the proposed continuing education program would continue to be subject to the current two-year qualification period. The proposed rule change is generally aligned with other professional continuing education programs that allow individuals to maintain their qualification to work in their respective fields during a period of absence from their careers (including an absence of more than two years) by satisfying continuing education requirements for their credential.

The proposed rule change would impose the following conditions and limitations:

³⁶ SEE PROPOSED IEX RULE 2.160(P)(C).

- Individuals would be required to be registered in the terminated registration category for at least one year immediately prior to the termination of that category;³⁷
- Individuals could elect to participate when they terminate a registration or within two years from the termination of a registration;³⁸
- Individuals would be required to complete annually all prescribed continuing education;³⁹
- Individuals would have a maximum of five years in which to reregister;⁴⁰
- Individuals who have been inactive for two consecutive years, or who become inactive for two consecutive years during their participation, would not be eligible to participate or continue;⁴¹ and
- Individuals who are subject to a statutory disqualification, or who become subject to a statutory disqualification following the termination of their registration or during their participation, would not be eligible to participate or continue.⁴²

In addition, the proposed rule change includes a re-eligibility provision that would allow individuals to regain eligibility to participate each time they reregister with a firm for a period of at least one year and subsequently terminate their registration, if they satisfy the other participation conditions and limitations.⁴³

E. Conforming Changes

IEX also proposes to make conforming edits to IEX Rule 2.160 to better align the rule text with FINRA Rules 1210 and 1240. Additionally, IEX proposes to make three non-substantive conforming edits to IEX Rule 2.160(p)(a)(1) by correcting the references to

³⁷ SEE PROPOSED IEX RULE 2.160(P)(C)(1).

³⁸ SEE PROPOSED IEX RULE 2.160(P)(C)(2). INDIVIDUALS WHO ELECT TO PARTICIPATE AT THE LATER DATE WOULD BE REQUIRED TO COMPLETE, WITHIN TWO YEARS FROM THE TERMINATION OF THEIR REGISTRATION, ANY CONTINUING EDUCATION THAT BECOMES DUE BETWEEN THE TIME OF THEIR FORM U5 (UNIFORM TERMINATION NOTICE FOR SECURITIES INDUSTRY REGISTRATION) SUBMISSION AND THE DATE THAT THEY COMMENCE THEIR PARTICIPATION.

³⁹ SEE PROPOSED IEX RULE 2.160(P)(C)(3).

⁴⁰ SEE PROPOSED IEX RULE 2.160(P)(C).

⁴¹ SEE PROPOSED IEX RULE 2.160(P)(C)(4) AND (C)(5).

⁴² SEE PROPOSED IEX RULE 2.160(P)(C)(1) AND (C)(6).

⁴³ SEE PROPOSED SUPPLEMENTARY MATERIAL .01 TO IEX RULE 2.160(P)(C).

“Commentary .02 to Rule 2.160” to properly cite to “Supplementary Material .01 to Rule 2.160(e)” and correcting references to “Commentary .01 to Rule 2.160(g)” to properly cite to “Supplementary Material .01 to Rule 2.160(g), in order to align the terminology used in these rules with the rest of IEX’s rulebook.

F. CE Program Implementation

As stated in the FINRA Approval Order, FINRA and the CE Council also plan to enhance the CE Program in other ways, and these additional enhancements do not require any changes to the FINRA rules.⁴⁴ As it relates to the rule changes themselves, the FINRA changes relating to the Maintaining Qualifications Program and the FSAWP had an implementation date of March 15, 2022.⁴⁵ The Exchange’s proposed changes to the Maintaining Qualifications Program (subparagraph (c) of Rule 2.160(p)) and to the FSAWP (Supplementary Material .01 to Rule 2.160(g)) will become effective on the date this proposed rule change is filed. All other changes related to the FINRA Approval Order and to the Exchange’s rules relating to the Regulatory Element, Firm Element and the two-year qualification period, will have an implementation date of January 1, 2023.⁴⁶

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of Sections 6(b)⁴⁷ and 6(b)(5) of the Act,⁴⁸ in particular, in that it is designed to promote just and equitable

⁴⁴ SEE FINRA APPROVAL ORDER, SUPRA NOTE 9. AS DESCRIBED IN MORE DETAIL IN THE FINRA APPROVAL ORDER, FINRA WILL WORK WITH THE CE COUNCIL TO DEVELOP AND INCORPORATE ADDITIONAL RESOURCES IN CONNECTION WITH THE REGULATORY AND FIRM ELEMENTS. SIMILAR TO FINRA, THESE ADDITIONAL ENHANCEMENTS DO NOT REQUIRE ANY CHANGES TO THE EXCHANGE RULES.

⁴⁵ SEE FINRA REGULATORY NOTICE 21-41 AT [HTTPS://WWW.FINRA.ORG/RULES-GUIDANCE/NOTICES/21-41](https://www.finra.org/rules-guidance/notices/21-41).

⁴⁶ ID.

⁴⁷ 15 U.S.C. 78F(B).

⁴⁸ 15 U.S.C. 78F(B)(5).

principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest.

As noted above, the proposed rule change seeks to align the Exchange Rules with changes to FINRA rules which have been approved by the Commission.⁴⁹ The Exchange believes the proposed rule change is consistent with the provisions of section 6(b)(5) of the Act,⁵⁰ which requires, among other things, that Exchange Rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and section 6(c)(3) of the Act,⁵¹ which authorizes the Exchange to prescribe standards of training, experience and competence for persons associated with Exchange. The proposed changes are based on the changes approved by the Commission in the FINRA Approval Order,⁵² and the Exchange is proposing to adopt such changes substantially in the same form proposed by FINRA with the notable exception that this proposed rule change does not apply retroactively, and the date FINRA implemented the changes to its CE program has already passed.⁵³ The Exchange believes the proposal is consistent with the Act for the reasons described above and for those reasons cited in the FINRA Approval Order.⁵⁴

⁴⁹ SEE FINRA APPROVAL ORDER, SUPRA NOTE 9.

⁵⁰ 15 U.S.C. 78F(B)(5).

⁵¹ 15 U.S.C. 78F(C)(3).

⁵² SEE FINRA APPROVAL ORDER, SUPRA NOTE 9.

⁵³ OTHERWISE, IEX'S PROPOSED RULE CHANGES ARE SUBSTANTIALLY SIMILAR TO THE CHANGES IN THE FINRA APPROVAL ORDER, WITH ONLY NON-SUBSTANTIVE DIFFERENCES IN THE NOMENCLATURE AND ORGANIZATION OF IEX'S AND FINRA'S REGISTRATION REQUIREMENT AND CONTINUING EDUCATION RULES (E.G., FINRA RULE 1210.07, WHICH IS PART OF FINRA'S REGISTRATION REQUIREMENT RULE, IS EQUIVALENT TO IEX RULE 2.160(P)(A)(1), WHICH IS PART OF IEX'S CONTINUING EDUCATION RULE).

⁵⁴ SEE FINRA APPROVAL ORDER, SUPRA NOTE 9.

The Exchange believes the proposed changes to the Regulatory Element and Firm Element will help ensure that all registered persons receive timely and relevant training, which will, in turn, enhance compliance and investor protection. Further, the Exchange believes that establishing a path for individuals to maintain their qualification following the termination of a registration will reduce unnecessary impediments to requalification and promote greater diversity and inclusion in the securities industry without diminishing investor protection.

Finally, the Exchange believes that the proposed conforming changes to its continuing education and registration rules will enhance compliance and investor protection by better aligning these rules with the rules changed by FINRA, as well as aligning the terminology used within these rules with the IEX Rule Book.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rule change, which harmonizes its rules with rule changes adopted by FINRA, will reduce the regulatory burden placed on market participants engaged in trading activities across different markets.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.⁵⁵

⁵⁵ 17 CFR 240.19B-4(F)(6).

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that this proposed rule change may become operative immediately upon filing. In addition, Rule 19b-4(f)(6)(iii)⁵⁶ requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

Waiver of the 30-day operative delay will allow the Exchange to implement the proposed changes to its continuing education and registration rules without delay, thereby eliminating the material differences between FINRA and Exchange continuing education rules, providing more uniform standards across the securities industry, and helping to avoid ongoing confusion for Exchange Members that are also FINRA members. For this reason, the Commission believes that waiver of the 30-day operative delay for this proposal is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.⁵⁷

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the

⁵⁶ 17 CFR 240.19B-4(F)(6)(III).

⁵⁷ FOR PURPOSES ONLY OF WAIVING THE 30-DAY OPERATIVE DELAY, THE COMMISSION HAS CONSIDERED THE PROPOSED RULE CHANGE'S IMPACT ON EFFICIENCY, COMPETITION, AND CAPITAL FORMATION. SEE 15 U.S.C. 78C(F).

Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-IEX-2022-11 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-IEX-2022-11. This file number should be included in the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing will also be available for inspection and copying at the IEX's principal office and on its Internet website at www.iextrading.com. All comments received will

be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only

information that you wish to make available publicly. All submissions should refer to File Number SR-IEX-2022-11 and should be submitted on or before [INSERT DATE 21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁸

Sherry R. Haywood,

Assistant Secretary.

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⁵⁸ 17 CFR 200.30-3(A)(12).